



NEWS RELEASE

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SOUTH DAKOTA SBA DISTRICT OFFICE SETS NEW RECORD IN 504 LENDING

SIOUX FALLS– The United States Small Business Administration announced today a new record in the number of loans made under the 504 Loan Program in South Dakota. Sixty-four debentures totaling over \$23 million were issued through SBA's 504 economic development program in Fiscal Year 2007 which ended September 30th. The 504 program provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. The number and dollar amount of the debentures approved by individual Certified Development Companies are as follows:

- Black Hills Community Economic Development, 20 loans, \$6.5 million.
- First District Development Company, 18 loans, \$5 million.
- Dakota Business Finance, 15 loans, \$2.7 million.
- South Dakota Development Corporation, 7 loans, \$5.1 million.
- Prairieland Economic Development Corporation, 4 loans, \$3.7 million.

Twenty-eight lenders participated with the CDC's in providing 504 loans to their customers in fiscal year 2007, an increase over FY06 when 24 lenders participated in the 504 loan program. Leading the broad-base of lender participation was Great Western Bank with nine (9), followed by The First National Bank in Sioux Falls (6), Dacotah Bank (5), Home Federal Bank (5), First National Bank (4), First Western Bank (4) and Wells Fargo Bank (4). Twenty-one other lenders across the state and nation participated in the program. Participating lenders usually provide 50% of the project's cost and receive a first lien position on project assets.

"We are fortunate in South Dakota to have an excellent group of Certified Development Companies. Their success in marketing the program and in packaging the deals means small businesses in South Dakota are receiving the best available financing", said John L. Brown II, District Director of the South Dakota Small Business Administration. "The lending community in South Dakota has been very proactive with the CDC's in using the 504 loan program. Such a broad base of lending activity in 504 is an indicator of a vibrant, progressive banking community. South Dakota small business is being well served by these CDC's and lenders."

For more information on SBA's lending programs, as well as all of SBA's programs for small businesses, visit www.sba.gov.

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